

CHAPTER NO. 716

HOUSE BILL NO. 3240

By Representative Wood

Substituted for: Senate Bill No. 3198

By Senators Crutchfield, Fowler

AN ACT to amend Tennessee Code Annotated, Section 65-5-201, relative to Public Utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 65-5-201, is amended by adding a new subpart (c) that reads as follows:

In fixing rates, joint rates, tolls, fares, charges, or schedules for service, no privately owned public utility that supplies water to municipal governments is allowed to charge rates, joint rates, tolls, fares, charges, or schedules of any kind whatsoever in connection with fire hydrant service to a municipal government providing fire protection services within the service area. The utility, however, may recover its costs of providing fire hydrant service by charging rates, joint rates, tolls, fares, charges or schedules to its non-municipal government customers within the service area as approved by the Tennessee regulatory authority. New rates shall take effect as prescribed by the Tennessee regulatory authority in a rate proceeding. Such rate proceeding shall be initiated by the utility or the Tennessee regulatory authority itself. Such rate proceeding shall be commenced within 120 days following passage of this act. The utility shall continue to collect its current authorized rates from a municipality until new rates are placed into effect by the Tennessee regulatory authority. The municipal government will reimburse the State of Tennessee for any consequent increase in expenditures to the State of Tennessee, up to \$50,000, which results directly from this act.

SECTION 2. The provisions of this act shall not apply to utility districts heretofore or hereafter created under the "Utility District Act of 1937," compiled in Title 7, chapter 82.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: May 6, 2004



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES



JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 18th day of May 2004



PHIL BREDESEN, GOVERNOR